GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2092
ANSWERED ON:15.03.2002
REDUCTION OF TEA PLANTATION
UMMAREDDY VENKATESWARLU

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a number of tea planters are reducing their acreage of tea plantations due to uncertainty of the export market;

(b) if so, whether the Tea Board has watched this development;

(c) whether the Government are considering to take effective steps to ensure that tea plantations are not converted to other crops; and

(d) if so, the details of steps proposed in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) No, Sir.

(b) Does not arise.

(c)&(d) While it is the market forces that determine the choice of the crops by the growers, the Government has taken various measures to assist the tea growers which include:

- Increase in the allowance under the Section 33 AB of Income Tax Act from 20% to 40%, specifically with a view to encourage replantation and rejuvenation of tea plantation;

- Reduction of Excise duty on tea from Rs. 2 per Kg. to Rs. 1 per Kg. in the Budget 2002-2003.

- Introduction of a factory up gradation Scheme by the Tea Board to encourage production of good quality orthodox and non reconditioned CTC teas in the country.

- Introduction of a Scheme for providing financial incentive to the exporters for meeting part of cost of handling, packaging, transport / freight charges by the Government.

- Modification the Tea Marketing (Control) Order 1984 to remove the condition of obligatory sale of 75% of tea production through public tea auctions. The producers of tea are now free to sell any quantity of tea through public tea auctions.

- Launching of a Generic promotion campaign for improving the consumption of tea within the country.

- Increase in the basic customs duty on import of tea from 70% to 100% as announced in the Budget of 2002-2003.

- Preparation of a medium term export strategy for tea by Tea Board for the next five years by engaging a consultant, M/s Accenture.

- Banning of the sale of tea in the Domestic Tariff Area by 100% Export Oriented Units (EOUs) and units in Export Processing Zones (EPZs).